

March 11, 2014

The Honorable Senator Leone  
The Honorable Representative Tong  
Co-Chairmen, Joint Committee on Banks  
Legislative Office Building, Room 2400  
Capitol Avenue  
Hartford, Connecticut 06106

RE: S.B. [H.B. No. 5490](#) (RAISED) AN ACT CONCERNING FINANCIAL LITERACY

**Senator Leone, Representative Tong and Members of the Banks Committee:**

On behalf of Connecticut's 119 not-for-profit credit unions, I am testifying on Senate Bill 397 An Act Concerning the Connecticut Higher Education Trust.

As you may know, credit unions are not-for-profit financial cooperatives: We exist to serve our members, not to make a profit. Our interests are the same as those of our members; therefore, our members are fiercely loyal. To fulfill our goal of creating financially strong members, we are committed to educating our members and potential members to become better educated consumers of financial services.

We understand that this bill seeks to find a solution to a significant problem with student financial literacy by having the Department of Education and the Board of Regents for Higher Education, in conjunction with the Department of Banking, create a plan that leverages any available federal, state or private funds to ensure that each student of a public high school receives instruction in financial literacy. Connecticut's credit unions would like to add their support and resources to this endeavor, and explain how what we are already doing as an industry makes us an important advisor and contributor to any financial literacy plan the state implements.

Since 2008 the Credit union League of Connecticut has been coordinating an educational program to prepare students for "real" life through Financial Reality Fairs. The Connecticut Financial Reality Fair, Inc., is a nonprofit 501(c)3 foundation created to support youth financial literacy in Connecticut. The major focus of the CT FRF foundation is on providing Financial Reality Fairs for high school students.

The Financial Reality Fair is a 2.25-hour experiential learning program in which students practice living within their income for a month. Students learn the importance of budgeting, putting needs before wants, the impact of their credit score, paying themselves first, and having a financial plan for the future. In preparation for the Fair, students research the career they want to

have after graduating from school, its beginning salary, and how much post-high school education is necessary to obtain the position.

Fair volunteers create a unique budget worksheet for each student based on the researched information. The student uses that information to obtain housing, transportation, clothing, food, and other needs and wants for a one-month period. The last stop is with a Financial Counselor who reviews the student's choices, verifies he or she lived within their income, and then discusses a financial plan for the student in the future.

The CT FRF foundation raises funds to offer this experience at no cost to the school other than transportation to and from the Fair. In October 2012, the foundation celebrated the 10,000th student attending a Fair in Connecticut.

Connecticut credit unions recognize the need for financial literacy among Connecticut's youth. Again, we offer our support to this bill and voice our desire to participate in any statewide plan developed because of the passage of SB 397, to assist schools and parents in their efforts to prepare students to manage their finances in the real world.

Sincerely,

Jill Nowacki  
President & CEO  
The Credit Union League of Connecticut